

Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 DHA-02 EB-08 TRSE-00 SIL-01 LAB-04

/083 W

-----282345Z 037163 /66

R 282103Z APR 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 1815

INFO AMEMBASSY MADRID

ALL USCONS MEXICO BY POUCH

C O N F I D E N T I A L SECTION 01 OF 02 MEXICO 06311

E. O. 11652: GDS

TAGS: PINT, MX

SUBJECT: INCIPIENT OPPOSITION FROM THE LEFT

SUMMARY:

AFTER MUTING ITS CRITICISM OF THE LOPEZ PORTILLO GOVERNMENT FOR FOUR MONTHS, THE MEXICAN LEFT (BOTH WITHIN AND OUTSIDE THE PRI) AND SOME INDEPENDENT LABOR LEADERS ARE BEGINNING TO VOICE OPPOSITION TO FISCAL AUSTERITY, TO WAGE RESTRAINT, AND TO A PERCEIVED INCREASED GOVERNMENTAL RELIANCE UPON POLITICAL REPRESSION. THE GOM IS RESPONDING TO THE CRITICISM PUBLICLY, APPEARING TO RELY HEAVILY UPON THE PRESIDENT'S INSTITUTIONAL AND PERSONAL ABILITY TO COMMAND SUPPORT WITHIN THE GOM/PRI ELITE AND UPON THE PROSPECT OF REGISTRATION TO KEEP THE OPPOSITION PARTIES FROM TAKING THEIR DISSIDENCE TO THE STREETS.

END SUMMARY.

1. SEEN IN RETROSPECT, THE RESIGNATION OF CARLOS FUENTES AS AMBASSADOR TO FRANCE IN PROTEST OF THE NOMINATION OF
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EX-PRESIDENT DIAZ ORDAZ AS AMBASSADOR TO SPAIN MAY MARK THE MOMENT THE MEXICAN LEFT ACKNOWLEDGED OPENLY THAT THE LOPEZ PORTILLO GOVERNMENT HAS TURNED TO THE RIGHT AND DECIDED TO MAKE KNOWN ITS OPPOSITION.

2. LOPEZ PORTILLO NO SOONER HAD UNVEILED HIS ALLIANCE FOR PRODUCTION WHEN THERE WERE MUTTERS FROM THE LEFT

THAT THE NEW GOVERNMENT REPRESENTED A "TURN TO THE RIGHT", A PERCEPTION WHICH US PRESS REPORTING, THE NEW CORDIALITY BETWEEN THE GOM AND THE USG, AND JLP'S OVERTURES TO THE BUSINESS SECTOR DID NOTHING TO CHANGE. FROM LABOR THERE WERE GRUMBLES THAT IT WAS SHOULDERING A GREATER BURDEN THAN BUSINESS. BUT CRITICISM OF THE NEW GOVERNMENT REMAINED MUTED THROUGH THE FIRST FOUR MONTHS, A PERIOD WHICH ENDED WITH THE GOM DESISTING FROM FURTHER PROSECUTION OF SOME 400 "POLITICAL PRISONERS" (SEE MEXICO 5092) AND ANNOUNCING A "POLITICAL REFORM" (MEXICO 5238), BOTH PLEASING TO THE LEFT.

3. WITH THE NOMINATION OF DIAZ ORDAZ, HOWEVER, THE GOM DREW HEAVILY ON ITS CREDIT WITH SOME SECTORS OF THE LEFT. INDEED, THE NOMINATION APPEARS TO HAVE SYMBOLIZED SO GRAPHICALLY THE PERCEIVED TURN TO THE RIGHT THAT, WITH THE RESIGNATION OF FUENTES ACTING AS A CATHARTIC, THE LEFT NOW IS SEEING GOM "REPRESSION" EVERYWHERE.

4. SOME EXAMPLES:

A) THE MEXICAN LEFT HAS REACTED BITTERLY TO STATEMENTS BY MEXICO CITY POLICE CHIEF ARTURO DURAZO, UPON THE CAPTURE OF SEVERAL ALLEGED TERRORISTS, THAT THE POLICE WERE "ON THE HEELS OF THE TERRORISTS LIKE DOGS AFTER THEIR PREY" AND WERE DETERMINED TO WIPE OUT THE TERRORIST MOVEMENT. THIS ONE STATEMENT SEEMS TO HAVE BLURRED THE IMAGE OF LIBERALITY THE GOM HOPED TO GAIN BY THE RELEASE OF ITS POLITICAL PRISONERS. LIKEWISE, AS SEEN BY CONFIDENTIAL

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THE UNREGISTERED OPPOSITION PARTIES, SEVERAL OF WHICH GREW DIRECTLY OUT OF THE 1968 MOVEMENT, AND BY THE INTELLECTUAL LEFT (CARLOS FUENTES, FORMER SECRETARY OF NATIONAL PROPERTIES FLORES DE LA PENA, AND THE SCHERER GARCIA GROUP OF JOURNALISTS, THE "REHABILITATION" OF DIAZ ORDAZ SYMBOLIZES AN ALLEGED REVIVAL OF REPRESSION AS A GOVERNMENT RESPONSE TO DISSIDENCE.

B) OUTSIDE MEXICO CITY, THE GOM HAS TROUBLE ONCE AGAIN IN OAXACA, WHERE A STUDENT WAS KILLED APRIL 24 BY STATE POLICE ATTEMPTING TO DISLODGE COMPETING GROUPS FROM THE PROVINCIAL UNIVERSITY CAMPUS. IN SINALOA, VIOLENCE IN CULIACAN ON APRIL 20 ALSO BROUGHT OUT STATE POLICE IN FORCE. THE TWO SITUATIONS HAVE DISTINCT CAUSES, BUT SHARE HAVING PROMPTED THE LEFT TO SEE "REPRESSION" AS THE OFFICIAL RESPONSE.

C) A MORE SUBSTANTIVE ATTACK FROM THE LEFT HAS CRITICIZED GOM ECONOMIC POLICY. THE COMPLAINT OF A PRI

OFFICIAL (FEDERAL DEPUTY) THAT THE GOM IS BEING "MORE CONSERVATIVE THAN THE IMF" HAS BEEN PICKED UP BY SEVERAL IN THE PRI LEFT WING, THE POPULAR SOCIALIST PARTY, AND BY LEFTIST, UNREGISTERED PARTIES. THE COMPLAINT IS THAT THE GOM, UNDER PRESSURE FROM THE IMF, IS RESTRICTING SPENDING TO A DEGREE WHICH IS CREATING UNEMPLOYMENT AND SOCIAL UNREST THAT ONLY POLITICAL REPRESSION WILL BE ABLE TO CONTAIN. OPPOSITION TO GOM ECONOMIC POLICIES HAS BEEN SLOW TO COALESCE BECAUSE IT IS NOT CLEAR WHETHER THE GOM INTENTIONALLY OR INADVERTENTLY RAN A BUDGET SURPLUS IN JANUARY OF THIS YEAR. SOME LEFTIST ECONOMISTS HAVE

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DECIDED THE SURPLUS IS DELIBERATE POLICY AND ARE USING THIS AS A BASIS FOR CRITICIZING THE GOVERNMENT.

D) ON THE LABOR FRONT THE 10 WAGE RESTRAINT POLICY IS RECEIVING MOUNTING CRITICISM FROM BOTH PRI AFFILIATED AND NON-PRI UNIONS. THE GOM LAST MONTH HELD THE SETTLEMENT WITH THE NON-PRI ALTOS HORNOS UNION TO 10 AND HAS JUST (ON APRIL 25) CONCLUDED A 10 WAGE SETTLEMENT WITH THE PRI AFFILIATED (BUT AGGRESSIVE) UNION OF TELEPHONE WORKERS. THE GOM'S PROBLEM IN HOLDING THE WAGE RESTRAINT POLICY INTACT FOLLOWS FROM A RECOGNITION THAT INFLATION THIS YEAR WILL BE CLOSE TO 30 AND FROM LABOR'S ATTITUDE THAT IT ALONE IS PAYING THE COST OF AUSTERITY. THE CONGRESS OF LABOR, THE UMBRELLA PRI LABOR ORGANIZATION, INTENDS TO MAKE INFLATION THE THEME OF ITS ANNUAL MAY 1 PARADE.

5. WE ARE NOT SUGGESTING THAT LABOR AND THE MEXICAN LEFT ARE PREPARING TO CHALLENGE OPENLY THE GOM OR ITS POLICIES. LABOR, BOTH PRI-AFFILIATED AND INDEPENDENT UNIONS, ARE STILL ADHERING TO THE WAGE RESTRAINT POLICY, BUT SEEM TO BE REQUIRING AND RECEIVING INCREASED PRESIDENTIAL CONFIDENTIAL

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STROKING. GOM FISCAL POLICIES AND THEIR SHORT-TERM CONSEQUENCES ARE PROBABLY NOT YET WIDELY ENOUGH UNDERSTOOD TO CRYSTALLIZE OPPOSITION. AND "REPRESSION" IS NOT YET A CREDIBLE RALLYING CRY. INDEED, EVIDENCE THAT THE GOM IS RELYING UPON TRADITIONAL, BEHIND-THE-SCENES NEGOTIATION WITH DISSIDENT GROUPS IS SUBSTANTIAL. RATHER, WHAT IS HAPPENING IS A RETURN, AFTER A LULL OF SEVERAL MONTHS, TO MORE OR LESS NORMAL LEVELS OF ACTIVITY AMONG THE POLITICAL ELITE.

6. THE GOM IS TAKING THIS INCIPIENT OPPOSITION SERIOUSLY, HOWEVER. IN AN INTERVIEW WITH A MADRID MAGAZINE PUBLISHED APRIL 27 PRESIDENT LOPEZ PORTILLO DENIED THAT THE NOMINATION OF DIAZ ORDAZ REPRESENTED A "TURN TO THE RIGHT", DEFENDED AT SOME LENGTH HIS ANTI-INFLATIONARY PROGRAM, AND PRAISED PRI LABOR LEADER FIDEL VELAZQUEZ. THE SAME DAY TREASURY SECRETARY MOCTEZUMA CID CONTRADICTED ASSERTIONS THAT THE GOM ECONOMIC PROGRAM HAD BEEN IMPOSED BY THE IMF AND DEFENDED IT AS A PROGRAM CAPABLE OF "REACTIVATING" PRODUCTION.

7. FROM THESE EVENTS AND FROM DISCUSSIONS WITH POLITICAL CONTACTS, IT APPEARS THE GOM INTENDS TO RELY HEAVILY ON THE PRESIDENT'S INSTITUTIONAL AND PERSONAL ABILITY TO COMMAND SUPPORT FOR HIS POLICIES WITHIN THE RULING COALITION ITSELF. THE PRESIDENT WOULD NOT HAVE TO BE MUCH MORE EMPHATIC DEFENDING HIS POLICIES THAN HE WAS IN THE APRIL 27 INTERVIEW TO MAKE FURTHER OPPOSITION FROM WITHIN THE GOM/PRI APPEAR AN ACT OF DISLOYALTY. WE SUSPECT THE GOM IS DEPENDING UPON THE UNREGISTERED OPPOSITION PARTIES' DESIRE FOR REGISTRATION, A PROSPECT SUGGESTED BY THE GOM'S "POLITICAL REFORM", TO KEEP OPPOSITION OUTSIDE THE GOM/PRI STRUCTURE WITHIN ACCEPTABLE LIMITS. THOMPSON

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Message Attributes

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